

Adjustment
 Franchise Fee and State Occupancy Tax Factors
 for Applicable General Service Rates

<u>City or Town</u>	<u>Tax Rate</u>		
(a)	State Occupancy Tax (b)	City Franchise Fee (c)	Billing Tax Factor 1/ (d)
Alamo	1.997%	5.000%	7.523%
Alton	1.997	2.000	4.163
Brownsville	1.997	5.000	7.523
Combes	1.070	2.000	3.167
Donna	1.997	5.000	7.523
Edcouch	1.070	3.000	4.242
Edinburg	1.997	5.000	7.523
Elsa	1.070	5.000	6.462
Harlingen	1.997	5.000	7.523
Hidalgo	1.997	5.000	7.523
La Feria	1.070	2.000	3.167
Laguna Vista	1.070	5.000	6.462
La Joya	1.070	5.000	6.462
La Villa	0.581	5.000	5.911
Los Fresnos	1.070	2.000	3.167
Lyford	1.070	5.000	6.462
McAllen	1.997	5.000	7.523
Mercedes	1.997	5.000	7.523
Mission	1.997	4.000	6.380
Palm Valley	0.581	2.000	2.649
Palmhurst	1.070	-	1.082
Palmview	1.070	2.000	3.167
Penitas	1.070	5.000	6.462
Pharr	1.997	5.000	7.523
Port Isabel	1.070	5.000	6.462
Primera	1.070	2.000	3.167
Progreso	1.070	4.000	5.341
Rancho Viejo	0.581	2.000	2.649
Raymondville	1.997	4.000	6.380
Rio Hondo	0.581	4.000	4.801
San Benito	1.997	5.000	7.523
San Juan	1.997	5.000	7.523
Santa Rosa	1.070	3.000	4.243
Weslaco	1.997	5.000	7.523

1/ The tax rates shown in columns (b) and (c) above are rates applied to “gross receipts” and are in addition to the revenues derived from general service rate schedules and the PGA adjustment. However, the State Comptroller has determined that beginning February 1, 1985, these taxes are includable when calculating “gross receipts”. This is accomplished by applying the “Billing Tax Factor” to all bills rendered by the Company for service within city limits. For example, for the City of Brownsville the 7.523% “Billing Tax Factor” added to a basic bill of \$100.00 would equal \$107.52.

Bill Including Tax Adjustment	\$107.52
Less: State Occupancy Tax @1.997%	2.15
City Franchise Fee @5.000%	<u>5.37</u>
Bill Before Tax Adjustment	<u>\$100.00</u>